

# Legislative Notice

No. 50

July 24, 2002

## **S. 2506 – The Intelligence Authorization Act for FY 2003**

Calendar No. 490

Approved by the Senate Select Committee on Intelligence on May 8, 2002. S. Rept. 107-149, and reported from the Senate Armed Services Committee on July 9, 2002. S. Rept. 107-208.

### **NOTEWORTHY**

- S. 2506 has been reported from the Intelligence and Armed Services Committees, has been placed on the Calendar, and is available for Floor action.
- Among other things, S. 2506 authorizes appropriations for FY 2003 for U.S. intelligence activities and programs. For FY 2003 through FY 2007, the Bush Administration has proposed significant resource increases for the U.S.' overall national intelligence efforts. The Committee compliments the Administration for this request.
- The bill includes several counterterrorism provisions, including: requiring the Director of Central Intelligence to develop and provide to the Intelligence Community and other appropriate federal, state and local officials a list of known or suspected international terrorists and international terrorist organizations; requiring an annual report on foreign companies involved in the proliferation of weapons of mass destruction that raise funds in U.S. capital markets; and establishing the Foreign Terrorist Asset Tracking Center within the CIA.
- The Committee's budget reflects five priorities: Revitalizing the National Security Agency; correcting deficiencies in human intelligence; addressing the imbalance between intelligence collection and analysis; rebuilding a robust research and development program; and, modernizing the capabilities of the Measurements and Signatures Intelligence to fulfill key intelligence requirements.
- The classified nature of U.S. intelligence activities prevents the Committee from disclosing the details of its budgetary recommendations in this Report. A classified supplement to the Committee Report, however, is available for review by any Member of the Senate.

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## BACKGROUND

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The Senate Select Committee on Intelligence (SSCI) conducted a detailed review of the FY 2003 budget requests for the National Foreign Intelligence Program (NFIP) of the Director of Central Intelligence; for the Joint Military Intelligence Program (JMIP) of the Deputy Secretary of Defense; and for the Tactical Intelligence and Related Activities (TIARA) of the military services. The Committee's review entailed a series of briefings and hearings. The Committee further monitored compliance with reporting requirements contained in statute.

In addition to its annual review of the Administration's budget request, the Committee performs oversight of various intelligence activities and programs.

For Fiscal Year 2003 through FY 2007, the Administration has proposed significant resource increases for our overall national intelligence effort. The Committee compliments the Administration for requesting higher levels of resources for the Intelligence Community for FY 2003 and beyond.

In this budget, the Committee seeks to highlight five priority areas that must continue to receive particular attention in the near term if intelligence is to fulfill its role in our national security strategy. They are:

- Revitalizing the National Security Agency
- Correcting deficiencies in human intelligence
- Addressing the imbalance between intelligence collection and analysis
- Rebuilding a robust research and development program
- Modernizing the capabilities of Measurements and Signatures Intelligence to fulfill key intelligence requirements

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## BILL PROVISIONS

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### **Congress and the Intelligence Community**

#### ***Clarification of Intelligence Community Reporting Requirements***

- By clarifying and reorganizing the various reporting requirements, Title IV of the bill is intended to address the problem of repeated failure by the Director of Central Intelligence to comply with the legal requirements to provide reports to Congress. For instance, Section 401 establishes a uniform date for annual and semi-annual reports in the National Security Act of 1947.
- In addition, the Committee has directed in the Classified Annex to this bill that a portion of the funds requested for FY 2003 for the Office of the Director of Central Intelligence not be obligated or expended until reports to the congressional intelligence committees have been provided in accordance with Title IV.

***National Foreign Intelligence Budget Amounts: Counterterrorism, Counterproliferation, Counternarcotics, and Counterintelligence***

- Section 304 of the bill requires the National Foreign Intelligence Program budget submission to include cross-agency budget aggregates for total expenditures in the Intelligence Community in the areas of counterterrorism, counterproliferation, counternarcotics, and counterintelligence.

***Presidential Determinations & Reporting of Covert Actions***

- The Committee restates its belief that the provision of written copies of the President's findings regarding covert action is essential to effective Congressional oversight of covert action programs. Therefore, the Chairman and Vice Chairman of the SSCI direct that, whenever they are notified about a covert action initiative, an Executive branch official bring the written copy for their personal review at the time of the notification.

***Clarification of Authority of Intelligence Community to Furnish Information on Intelligence Activities to Congress***

- Section 306 reaffirms longstanding requirements that the Intelligence Community must report to the intelligence committees of the Congress all information necessary for those committees to fulfill their oversight responsibilities. Section 306 is designed to preserve the Intelligence Community's unique relationship with its oversight committees in the wake of the USA PATRIOT Act of 2001, which gave intelligence agencies access to sources of information that were previously denied it. According to the Report, this provision does not authorize Congress to have direct access to grand jury or the protected information in the possession of the law enforcement community; it merely authorizes access to existing statutory reporting requirements, to such otherwise protected information as may be used by intelligence officials in conducting analysis or making operational decisions.

**Intelligence Community Personnel**

### ***Standards and Qualifications for the Performance of Intelligence Activities***

- Section 308 requires the Director of Central Intelligence to prescribe standards and qualifications for individuals who perform intelligence or intelligence-related activities for use by all of the agencies of the Intelligence Community.

## **Intelligence Collection, Analysis and Dissemination**

### ***Establishment of the National Commission for the Review of the Research and Development Programs of the U.S. Intelligence Community***

- In an effort to allow for increased understanding and focus of the Intelligence Community's research and development efforts, the Committee has established, in Title VI of the bill, the National Commission for the Review of the Research and Development Programs of the U.S. Intelligence Community. The purpose of the Commission, to be composed of government officials and private sector experts, is to review the current state of research and development within the Intelligence Community.

### ***National Virtual Translation Center***

- Section 311 of the bill establishes in law the National Virtual Translation Center to help quickly, accurately and effectively translate information in a large number of languages.

### ***Foreign Terrorist Asset Tracking Center (FTAC)***

- Section 312 of the bill requires the Director of Central Intelligence to establish within the CIA the Foreign Terrorist Asset Tracking Center to conduct all-source intelligence analysis of the finances and financial interactions of international terrorists and international terrorist organizations.

### ***Terrorist Identification Classification System***

- Section 313 directs the DCI to establish and maintain a list of individuals who are known or suspected international terrorists and organizations that are known or suspected international terrorist organizations.

### ***Annual Report on Foreign Companies Involved in Proliferation of Weapons of Mass Destruction That Raise Funds in the U.S. Capital Markets***

- Section 314 requires the Director of Central Intelligence to submit a report to Congress each year setting forth certain foreign entities that he believes are involved in raising, or attempting to raise, money in United States capital markets by certain means.

## Counterintelligence

### *FBI Counterintelligence and Counterterrorism Training and Analysis*

- The Committee is concerned about the adequacy of the Federal Bureau of Investigation's (FBI's) training for its agents and analysts for counterintelligence and counterterrorism. Therefore the Committee directs the FBI Director, in consultation with the DCI, to provide the intelligence committees with a written report no later than February 1, 2003, assessing the adequacy of the Bureau's training program and career tracks for both its agents and its analytic cadre involved with counterintelligence and counterterrorism, as well as its plans to enhance the effectiveness of these programs.

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### COST

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Pursuant to paragraph 11(a) of Rule XXVI of the Standing Rules of the Senate, the estimated costs incurred in carrying out the provisions of this Bill for FY 2003 are set forth in the Classified Annex to this Bill.

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### ADMINISTRATION POSITION

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The Statement of Administration Policy was unavailable at press time.

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### POSSIBLE AMENDMENTS

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There were no known amendments at press time.

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